

IT Initiative Supplement

April 7, 2010

I. Project Description

Project Title: Montana Utilization and Treatment Guidelines

Brief Description of the Project Title: Web-based system that provides information on medical treatment guidelines to Montana workers' compensation stakeholders

Statewide Priority:

Agency Priority: 1

Estimated Completion Date: October 1, 2010

IT Project Biennium: 2013

Request Number: 177

Version: 20136602A61

Agency Number: 66020

Agency Name Department of Labor & Industry

Program Number: 04

Program Name: Employment Relations Division

A. Type of Project (check all that apply)

Enhancement

Replacement

New (X)

O&M

B. Type of System (check all that apply)

Mid-Tier

Mainframe

GIS

Web (X)

Network

Desktop

II. Narrative

C. Executive Summary

The Employment Relations Division (ERD), in accordance with HB 738 (2007 Legislature) is establishing medical utilization and treatment guidelines for workers' compensation. The Medical Providers Group has recommended Montana adopt the Colorado Medical Treatment Guidelines as primary and a secondary guidelines chosen by the agency. The agency chose the Official Disability Guidelines (ODG) developed by

the Work Loss Data Institute. A vendor-developed product will merge the primary and secondary guidelines into a seamless, web-based delivery system available to medical providers, insurers, adjusters and injured workers.

Project Purpose and Objectives: The purpose of this project is to provide a utilization and treatment guidelines delivery system to workers' compensation stakeholders. The objectives are to merge two discrete guidelines into one Montana set of guidelines and to deliver this information in an easy-to-use web-based system.

Technical Implementation Approach: The deliverable will be a web-based delivery system.

Project Schedule and Milestones:

Issue RFP after all necessary approvals	May 11, 2010
RFP due	May 28
RFP awarded	June 4, 2010
Website completed	October 1, 2010

D. Business and IT Problems Addressed

This project will put in place new policy guidelines which will help increase the speed of delivery of medical services to injured workers, streamline billing processes and reduce unnecessary procedures, also resulting in a decrease in the current rapid growth of workers' compensation medical costs.

E. Alternative(s)

Alternatives Considered:

- Building the utilization and treatment delivery system in-house merging the two sets of guidelines
- Building the utilization and treatment delivery system in-house using only one set of guidelines
- Contracting for a vendor to build the utilization and treatment delivery system using the two sets of guidelines
- Contracting for a vendor to build the utilization and treatment delivery system using only one set of guidelines

Rationale for Selection of Particular Alternative:

The Medical Provider Group recommended the adoption of one primary and one secondary set of guidelines to fill in the gaps of the primary guidelines. Anything less would not result in a comprehensive guideline set.

ERD lacks the staff resources and expertise to combine the two sets of guidelines. In-house development is not an option.

F. Narrative Detail

The successful vendor will adapt the Colorado Medical Treatment Guidelines for Montana, removing all Colorado references to agencies, statutes, and rules but leaving intact the medical guidelines. The vendor will add medical coding to the Colorado Medical Treatment Guidelines for ease of reference for medical providers and payers. The vendor will add information from the ODG proprietary guidelines for areas not addressed by the Colorado

Medical Treatment Guidelines. The resulting Montana guidelines will be delivered in an Internet platform in a clear, well-designed user interface with search, display, and print functionality.

III. Costs

G. Estimated Cost of Project: \$199,000 annually

1. Personnel Services – IT Staff:

2. Personnel Services – Non IT Staff:

3. Contracted Services: requesting this RFP come in under \$199,000 annually

4. ITSD Services:

5. Hardware:

6. Software:

7. Telecommunications:

8. Maintenance:

9. Project Management: Internal project manager

10. IV&V

11. Contingency:

12. Training:

13. Other:

Total Estimated Costs:

Total Funding:

IV. Funding

H. Funding

1. Fund: 02455 Workers' Comp Regulation

2. Amount: \$199,000 annually

3. Total Costs: \$398,000

Cash/Bonded:

Bill Number:

V. Cost upon Completion

1. Operating Costs upon Completion

FTE:

Personal Services Costs:

Operating Costs:

Maintenance Expenses: annual enterprise license fee and update fees of \$199,000

Total Estimated Costs:

2. Funding Recap

Fund Type: 02455 Workers' Comp Regulation

Amount: \$199,000 annually

Total Funding: \$398,000

V. Risk Assessment

A. Current IT Infrastructure Risks

- | | |
|--|-----|
| 1. Current application 10+ years old?
Date of last major upgrade? | n/a |
| 2. Current application is based on old technology? | n/a |

If yes, what is the current hardware platform, operating system, and programming languages used to support the application?

3. Is the agency not capable of maintaining the current application with internal technical staff?
n/a

If yes, who supports the application today?

4. Other IT infrastructure risks? n/a
If yes, provide further detail.

B. Current Business Risks

1. What are the risks to the state if the project is not adopted?
The State will be unable to implement utilization and treatment guidelines.

2. Does the current application meet current business requirements? n/a
If “no”, what specific business functions does the application lack?

C. Project Risk Assessment

1. Describe any major obstacles to successful implementation and discuss how those obstacles will be mitigated.

Table H Risk Assessment

Description	Severity (H/M/L)	Probability of Occurrence (%)	Estimated Cost	Mitigation Strategy
Vendor will be unable to meet proposed timeline	M	25%		Change project timeline
Vendor product will not meet quality standards	H	25%		Change project timeline; reissue RFP; revert to single guideline
Vendor will be unable to meet budget	H	25%		Reduce scope or seek budget modification